## AMENDED IN ASSEMBLY APRIL 15, 2013

CALIFORNIA LEGISLATURE—2013-14 REGULAR SESSION

## ASSEMBLY BILL

No. 574

## **Introduced by Assembly Member Lowenthal**

February 20, 2013

An act to amend Section 73 of the Streets and Highways Code, relating to highways add Part 9 (commencing with Section 38800) to Division 25.5 of the Health and Safety Code, relating to greenhouse gases.

## LEGISLATIVE COUNSEL'S DIGEST

AB 574, as amended, Lowenthal. State highways: relinquishment. California Global Warming Solutions Act of 2006: Greenhouse Gas Reduction Fund: sustainable communities strategies.

The California Global Warming Solutions Act of 2006, designates the State Air Resources Board as the state agency charged with monitoring and regulating sources of emissions of greenhouse gases. The act authorizes the state board to include use of market-based compliance mechanisms. Existing law requires all moneys, except for fines and penalties, collected by the state board from the auction or sale of allowances as part of a market-based compliance mechanism to be deposited in the Greenhouse Gas Reduction Fund and to be available upon appropriation by the Legislature. Existing law requires the Department of Finance, in consultation with the state board and any other relevant state agency, to develop, as specified, a 3-year investment plan for the moneys deposited in the Greenhouse Gas Reduction Fund.

Existing law requires designated regional transportation planning agencies to perform certain transportation planning activities, including

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the development of a regional transportation plan. Certain of these agencies are designated by federal law as metropolitan planning organizations. Existing law requires a metropolitan planning organization to adopt a sustainable communities strategy, subject to specified requirements, as part of a regional transportation plan, which is to be designed to achieve certain targets established by the state board for the reduction of greenhouse gas emissions from automobiles and light trucks in the region.

This bill would require the state board, in consultation with the California Transportation Commission and the Strategic Growth Council, to establish standards for the use of moneys allocated from the Greenhouse Gas Reduction Fund for sustainable communities projects, as specified. The bill would require the state board, in consultation with the California Transportation Commission and the Strategic Growth Council, to establish the criteria for the development and implementation of regional grant programs, as specified. The bill would require the California Transportation Commission, in consultation with the state board, to designate the regional granting authority within each region of the state to administer the allocated moneys for regional grant programs, as specified.

Existing law gives the Department of Transportation full possession and control of all state highways. Existing law describes the authorized routes in the state highway system and establishes a process for adoption of a highway on an authorized route by the California Transportation Commission. Existing law also provides for the commission to relinquish state highway segments to local agencies that have been deleted from the state highway system by legislative enactment, and in certain other cases.

This bill would generally authorize the California Transportation Commission to relinquish any portion of a state highway or related facility within a county or city to that county or city, subject to an agreement between the department and the local agency, without requiring a legislative enactment deleting the state highway segment from the state highway system. The bill would also require the department to expeditiously consider and respond to each request it receives from a city or county relative to an agreement relating to the proposed relinquishment of a state highway segment within the jurisdiction of the entity making the request, and would require the department, from time to time, to recommend to the Legislature any revisions to the statutory descriptions of state highway routes occasioned

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by relinquishments approved by the commission. The bill would make other related changes.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. (a) The Legislature finds and declares all of the 2 following:

- (1) The largest source of greenhouse gas emissions in the state is the transportation sector and implementation of the California Global Warming Solutions Act of 2006 depends on achieving significant emissions reductions from that sector.
- (2) A key method to reduce transportation emissions is the development of sustainable communities strategies and other regional plans that encourage more compact development and investment in alternatives to the automobile, thereby reducing the total amount of driving necessary to meet mobility needs.
- (3) Local governments tasked with implementing sustainable community strategies, and other greenhouse gas emissions reducing regional plans, lack the funds for the infrastructure necessary to accommodate patterns of growth consistent with the state's climate goals.
- (4) Integrating transportation and public infrastructure investments with changes in land use provide significantly greater greenhouse gas emissions reductions than single purpose investment strategies and contribute to making communities more livable.
- (5) Without changed land use patterns and improved transportation investments, the state will not be able to achieve the goals of the California Global Warming Solutions Act of 2006.
- (b) It is the intent of the Legislature that revenues from market-based compliance mechanisms related to motor vehicle fuels should be allocated to projects, programs, and policies that reduce greenhouse gas emissions from the transportation sector.
- 29 SEC. 2. Part 9 (commencing with Section 38800) is added to 30 Division 25.5 of the Health and Safety Code, to read:

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PART 9. SUSTAINABLE COMMUNITIES INFRASTRUCTURE PROGRAM

38800. Moneys appropriated from the Greenhouse Gas Reduction Fund pursuant to Chapter 4.1 (commencing with Section 39710) of Part 2 of Division 26 for investments in sustainable communities strategies required pursuant to Section 65080 of the Government Code and for related purposes as provided in this part, shall be allocated in accordance with this part.

38801. Appropriated moneys shall be allocated for projects that do all of the following:

- (a) Provide cost-effective and feasible reductions in greenhouse gas emissions.
- (b) Combine transportation investments with local land use modifications and other local policy changes to provide greenhouse gas emissions reductions and, where feasible, to achieve other public benefits, such as improvements in any of the following:
- (1) Air quality.
- (2) Public health.
- 20 (3) Resource protection.
- 21 (4) Environmental justice.
- 22 (5) Affordable housing supply.
  - (6) Protection of agricultural land.
- 24 (7) Public safety.
- 25 (8) Water quality and supply.
  - (9) Economic development and job creation.
  - (c) Implement either an approved sustainable communities strategy or alternative planning strategy, pursuant to Section 65080 of the Government Code, within existing urbanized or developed areas in regions with a metropolitan planning organization. For regions that do not have a metropolitan planning organization, projects shall reduce greenhouse gas emissions consistent with the regional transportation plan or other regional plan.
    - (d) Meet the requirements of Section 38804 or 38805.
  - (e) Are selected through a competitive process based on cost-effective greenhouse gas emissions reductions using criteria for evaluating long-term greenhouse gas emissions benefits established by the state board.

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(f) Comply with the requirements to benefit economically disadvantaged communities, pursuant to Chapter 4.1 (commencing with Section 39710) of Part 2 of Division 26.

- 38802. (a) The California Transportation Commission, in consultation with the state board, shall designate the regional granting authority within each region of the state to administer moneys allocated pursuant to subdivision (b). The regional granting authority shall be the agency responsible for the development of the regional transportation plan pursuant to Section 65080 of the Government Code. Two or more entities responsible for the development of a regional transportation plan pursuant to Section 65080 of the Government Code may create a multiregional granting authority.
- (b) Moneys that are allocated for regional grant programs shall be allocated to the regional granting authority in each region on a per capita basis by the Controller using the latest information from the Demographic Research Unit of the Department of Finance.
- (c) Moneys that are allocated to interregional investments shall be administered by the Business and Transportation Agency, in consultation with the California Transportation Commission and the High-Speed Rail Authority for rail modernization that has both regional and interregional benefits and for other statewide transportation priorities that achieve greenhouse gas emissions reductions.
- 38803. (a) The state board, in consultation with the California Transportation Commission and the Strategic Growth Council, shall establish the criteria for the development and implementation of regional grant programs that do all of the following:
- (1) Require that projects be selected within each region by the regional granting authority through a competitive public process based on greenhouse gas emissions reductions.
- (2) Provide criteria for evaluating long-term greenhouse gases impacts.
- (3) Establish the methods for evaluating, monitoring, and verifying project effectiveness, including those related to travel demand reduction, system efficiency, safety improvements, demographic characteristics, and integrated land use and transportation strategies.

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(4) Encourage flexibility, collaboration, and innovation at the local level to develop cost-effective projects and to address local and regional transportation and community needs.

- (5) Provide for the development and implementation of projects that integrate infrastructure investment with land use or local code changes to achieve the maximum greenhouse gas emissions reductions.
- (6) Provide for public participation in the review of proposed projects. Regional granting authorities shall, at a minimum, conduct a 30-day public review and comment process consistent with the public participation requirements of Section 134(i)(6)(A) of Title 23 of the United States Code.
- (7) Provide for consultation and coordination with air pollution control and air quality management districts.
- (b) The state board, in consultation with the Strategic Growth Council and metropolitan planning organizations, shall establish standards for integrated modeling systems and measurement methods to ensure consistency in evaluating the potential effectiveness of projects and verifying actual benefits of projects after completion.
- (c) The state board shall review the implementation of this section on an annual basis and may revise the criteria for project selection, evaluation, monitoring, and verification as needed to improve program performance.
- 38804. The state board, in consultation with the California Transportation Commission and the Strategic Growth Council, shall establish standards for the use of moneys for projects to ensure compliance with this division. Eligible uses of the moneys shall include any of the following:
- (a) Transportation network and demand management, including, but not limited to, trip-reduction programs, congestion pricing, and roadway modifications, such as roundabouts.
- (b) Public transportation, including operations, maintenance, and capital costs.
- (c) Road and bridge maintenance; operations and retrofits for complete streets, bike, and pedestrian safety enhancements; safe routes to schools; and urban greening.
  - (d) Clean transportation fueling infrastructure and support.
- (e) Multimodal network connectivity to reduce travel distances and improve access to parks, schools, jobs, housing, and markets

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1 for rural and urban communities, including neighborhood scale 2 planning.

- (f) Development and adoption of local plans and land use policies that help to implement regional plans.
- (g) Community infrastructure, including public works and municipal improvements necessary to support transit-oriented development, affordable housing, infill in existing urbanized areas, and small walkable communities in rural neighborhoods.
- (h) Multiuse facilities and accommodations for bicyclists, pedestrians, and neighborhood electric vehicles.
- (i) Interregional rail modernization and related community infrastructure.
- (j) Administrative costs and development and use of evaluation, monitoring, and verification systems.
- 38805. The state board in consultation with the California Transportation Commission may identify additional eligible uses of funds that provide greenhouse gas emissions reductions consistent with the requirements of this part.
- 38806. It is the intent of the Legislature that moneys shall be appropriated for this part only in a manner consistent with the requirements of this division, Chapter 4.1 (commencing with Section 39710) of Part 2 of Division 26, and Article 9.7 (commencing with Section 16428.8) of Chapter 2 of Part 2 of Division 4 of Title 2 of the Government Code.
- 38807. Implementation of this part, including development of standards and guidelines by the state board and the provision of financial assistance to eligible recipients, is contingent upon appropriation of funds for these purposes by the Legislature.
- SECTION 1. Section 73 of the Streets and Highways Code is amended to read:
- 73. (a) The commission shall relinquish to any county or city any portion of any state highway within the county or city that has been deleted from the state highway system by legislative enactment, and the relinquishment shall become effective upon the first day of the next calendar or fiscal year, whichever first occurs after the effective date of the legislative enactment.
- (b) (1) Whenever the department and any county or city concerned have entered into an agreement providing therefor, the commission may relinquish, to that county or city, any portion of any state highway within the jurisdiction of that county or city, if

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the commission determines that the relinquishment is in the best interests of the state. The commission may likewise relinquish any frontage or service road or outer highway, within the county or city, which has a right-of-way of at least 40 feet in width and which has been constructed as a part of a state highway project, but does not constitute a part of the main traveled roadway thereof. The commission may likewise relinquish any portion of any state highway in a county or city that has been superseded by relocation. The commission may likewise relinquish any nonmotorized transportation facility, as defined in Section 887, constructed as part of a state highway project within a city or county to that city or county. The relinquishment of a state highway or related facility pursuant to this subdivision may occur notwithstanding anything in Chapter 2 (commencing with Section 230) to the contrary. 

- (2) With respect to frontage or service roads or outer highways or nonmotorized transportation facilities, the relinquishment may occur with the agreement of the applicable city or county or with the adoption of a resolution consenting thereto by the applicable city or county.
- (3) An agreement entered into pursuant to this subdivision shall require the city or county to maintain signs directing motorists to the continuation of a state highway route, if applicable, and may contain other conditions to ensure the continuity of traffic flow.
- (4) The relinquished portion of a former state highway route is no longer a state highway as of the effective date of the relinquishment, and is not eligible for adoption as a state highway under Section 81.
- (c) Relinquishment shall be by resolution. A certified copy of the resolution shall be filed with the board of supervisors or the eity clerk, as the case may be. A certified copy of the resolution shall also be recorded in the office of the recorder of the county where the land is located and, upon its recordation, all right, title, and interest of the state in and to that portion of any state highway or related facility shall vest in the county or city, as the case may be, and that highway or portion thereof shall thereupon constitute a county road or city street, or other related facility, as the case may be.
- (d) The vesting of all right, title, and interest of the state in and to portions of any state highways or related facilities heretofore

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relinquished by the commission, in the county or city to which it was relinquished, is hereby confirmed.

- (e) (1) Prior to relinquishing any portion of a state highway or related facility to a county or a city, except where the department and the county or city have entered into an agreement providing therefor, or as otherwise provided in paragraph (2) of subdivision (b), the department shall give 90 days' notice in writing of intention to relinquish to the board of supervisors, or the city council, as the case may be. Where the resolution of relinquishment contains a recital as to the giving of the notice, adoption of the resolution of relinquishment shall be conclusive evidence that the notice has been given.
- (2) Within the 90-day period, the board of supervisors or the city council may protest in writing to the commission stating the reasons therefor, including, but not limited to, objections that the highway is not in a state of good repair, or is not needed for public use and should be vacated by the commission. If the commission does not comply with the requests of the protesting body, it may proceed with the relinquishment only after a public hearing given to the protesting body on 10 days' written notice.
- (f) The commission shall not relinquish to any county or city any portion of any state highway that has been superseded by relocation until the department has placed the highway, as defined in Section 23, in a state of good repair. This requirement shall not obligate the department for widening, new construction, or major reconstruction, except as the commission may direct. A state of good repair requires maintenance, as defined in Section 27, including litter removal, weed control, and tree and shrub trimming to the time of relinquishment.
- (g) The department shall expeditiously consider and respond to each request it receives from a city or county relative to an agreement relating to the proposed relinquishment of a state highway or related facility within the jurisdiction of the entity making the request.
- (h) The department, from time to time, shall recommend to the Legislature any revisions to the descriptions of state highway routes in Chapter 2 (commencing with Section 230) occasioned by relinquishments approved by the commission pursuant to this section.

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